



Napier backs local government study

Marty Sharpe
HAWKE'S BAY

ALL FIVE Hawke's Bay councils now appear to back a study that will consider the structure of local government in the region.

While still opposing amalgamation, Napier Mayor Barbara Arnott says her council supports the study aimed at improving the region's economy and reviewing local government structures.

Central Hawke's Bay District Council voted unanimously on Thursday to support the study and contribute \$5000.

This follows a decision by the Hawke's Bay Regional Council to put \$40,000 into what it has termed a "council efficiency study".

Hastings District Council had already put \$50,000 towards the study, which has evolved into a broader study than the feasibility study on amalgamation proposed earlier this year by Hastings Mayor Lawrence Yule.

A campaign calling for all five councils to back a comprehensive study on enhancing the region's performance has attracted the backing of more than 400 residents

TALKING POINTS

The proposed study will look at three areas:

► Assessing what role local government in Hawke's Bay plays in socioeconomic development, including examining local government structures, planning, consenting and compliance frameworks.

► Scoping opportunities for and value of inter-regional council and central government collaboration.

► Analysing and defining how the Hawke's Bay economy might be further diversified and made more resilient and if so, what targets would need to be set.

including Hawke's Bay District Health Board chairman Kevin Atkinson, journalist Paul Holmes, Sir Russell Pettigrew and Sir Selwyn Cushing.

Napier City Council is opposed to amalgamation and Mrs Arnott and chief executive Neil Taylor have been outspoken critics of the move, claiming it is not what the people of Napier desire.

Mrs Arnott said on Friday that her council had decided to support a study on improving the region's economy months ago.

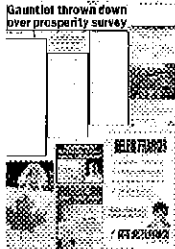
The latest proposed study was much the same as her council had wanted, only with a council component, and the council would support it, pending an agreement on its terms of reference. It had put aside up to \$50,000 for a study.

"The people of Napier are telling me quite clearly that they do not support a feasibility study on amalgamation but that they might support with a much broader view than that because that might benefit the region," she said.

Wairoa District Council recently sent a letter to all councils saying it supported the study. It will discuss the study and possible funding on Tuesday.

The regional council has said the study would be conducted either by an individual or an agency independent of councils. All council heads must now meet to discuss terms of reference, timing and funding.

Mr Yule said he welcomed the backing for the study from other councils.



Gauntlet thrown down over prosperity survey

By NEILL GORDON
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A challenge has been laid down to Hawke's Bay's local body leaders to help fund a regional council led study on Hawke's Bay prosperity.

The study, which will include an examination of local government structure, is essentially a compromise between Hastings Mayor Lawrence Yule's passion for amalgamation and Napier City Council's allergy to any discussion of one.

Last week the regional council voted unanimously to spend \$40,000 on an efficiency and effectiveness study that will include examining local government structure, planning, consenting and compliance frameworks.

Wrapping up the debate in front of an unusually-full public gallery of business leaders and Napier City councillors, regional council chairman Fenton Wilson said he "expects a cheque with Lawrence's signature on it by the end of October."

"If he [Lawrence] shies away from this course of travel we'd actually wonder what the intention was," Mr Wilson said.

Mr Wilson's comment was a reference to how fractious the amalgamation discussion has become and perhaps also a nod to Napier Mayor Barbara Arnott's suggestion that Mayor Yule had "a personal agenda" to be super mayor of the region.

The regional council vote follows a decision last month by Hastings District Council to put \$50,000 towards a similar study.

The big questions now are whether Napier, Central Hawke's Bay and Wairoa councils will contribute to a study and be able to agree with Hastings and the regional council on terms of reference.

In a bid to find a politically acceptable way forward for all parties, Mr Wilson has tried to frame the study as one on regional prosperity, with the local government structure (amalgamation) question a minor part.

As some regional councillors sought to tweak the study proposal to elevate the emphasis on structure, Mr Wilson warned against it, saying that the proposal as it stood had broad support.

Nevertheless, councillor Neil Kirtou

succeeded in adding the words "local government structure" to a resolution passed by council for: "an assessment at a detailed level, as to what role Local Government in Hawke's Bay plays in enabling socio-economic development and/or impeding it."

"This work should examine local government structure, planning, consenting and compliance frameworks, their current state and also the pipeline of plan strategies and plan changes under way, the drivers for these and the value proposition.

"This study will also include an initial assessment as to whether adjustments in Local Government strategies and processes would add further value to the Hawke's Bay economy."

"The study will also provide, in collaboration with the TLAs [Territorial Local Authorities] and potentially Business Hawke's Bay, further analysis and definition of how the Hawke's Bay economy might be further diversified and, if so, what targets would need to be set."

The debate followed a report to council by economist Sean Bevin and council chief executive Andrew Newman showing that the Bay's economic performance is as good as, or better than, comparable regions.

The region faced the same scenario as the New Zealand Government when it came to trying to lift economic performance "and we shouldn't overstate what we can do," said Mr Newman.

A substantial issue for the bay is its lower socio-economic statistics, generally the Maori community, which is a growing proportion of the population, Mr Newman said. It was "critical" for the region that Maori prosperity was lifted as they became a larger proportion of the Bay population over the next 20 years.

The crown is focused on the Treaty settlement process in Hawke's Bay which would be a substantial regional economic investment, though not as large as 1995's \$170 million Tainui settlement, Mr Newman said. Water was another major issue for the region, with the possibility of almost doubling the area of irrigated land, with water storage projects.



Meanwhile, Napier residents are being asked what they think about amalgamation in a survey commissioned by Napier City Council.

National Research Bureau is undertaking the council's annual Communitrak survey in which about 500 residents are asked their views on various matters.

This year's survey, held last month and

this month, also asks how they feel about the contentious issue of amalgamating with other Hawke's Bay councils.

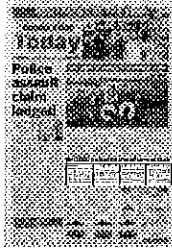
In a 2009 survey Napier residents were asked if they supported amalgamation with Hastings District Council. Sixty-one per cent of respondents opposed the suggestion, 29 per cent supported it and the rest were undecided or did not care.

If he [Lawrence] shies away from this course of travel we'd actually wonder what the intention was

Fenton Wilson
Regional council chairman



Big chief: A Canadian fan before kick-off in the 2011 Rugby World Cup pool match between France and Canada at McLean Park in Napier on Sunday night.



\$40,000 pledged for shared services study

By Pippa Brown
pippa.brown@hbtoday.co.nz

Hawke's Bay Regional Council has chosen to support a study into efficiency.

At a packed council meeting yesterday, attended by Napier City and Hastings District councillors and a full gallery of leading Hawke's Bay business people, it agreed to contribute \$40,000 towards a study into the role of local government in the region.

The councillors want possibilities of inter-regional council collaboration and future partnerships among government sectors investigated, as well as diversification opportunities for the province's economy.

Council chairman Fenton Wilson said

it was a sensible and pragmatic approach. It was not about amalgamation but an opportunity for the ratepayers and the wider Hawke's Bay to benefit.

He said a push would be made to explore relationships outside the region where shared services were concerned, which gave the regional council an opportunity to leverage.

Looking outside Hawke's Bay had great benefits, with potential gains in roading services and planning, shared IT and pest control as some examples, Mr Wilson said.

Hawke's Bay mayors have been split over the amalgamation debate, with Hastings Mayor Lawrence Yule pushing for an amalgamation of councils and Napier Mayor Barbara Arnott standing

firmly in opposition.

A recent drive by business leaders for an independent study on the region's performance increased pressure for the regional council to agree to the study.

An assessment would also be made into what role local government played in enabling socio-economic development or impeding it, and what changes were necessary to better the Hawke's Bay economy.

Councillor Neil Kirton moved an amendment to include the structure of local government in the study.

"Any move forward in terms of its social and economic development must include consideration of the way local government is structured," he said.

**HASTINGS DISTRICT COUNCIL
MEETING ACTION SHEET**

TO: Executive Advisor: Cheryl Paget

COPY TO: Chief Executive
Group Manager: Strategy and Development
Group Manager: Community Facilities & Programmes
Group Manager: Planning and Regulatory Services
Group Manager: Asset Management
Group Manager: Corporate and Customer Services
Chief Financial Officer

MEETING: Council

DATE OF MEETING: Thursday, 25 August 2011

The following resolution was adopted and may now be actioned:

7. **Mayor's Report - Collective Study on the Structure of Local Government in Hawke's Bay**
(Copy circulated)

Councillor Henderson/Councillor Lester

- A) That the report of the Mayor titled "Mayor's Report - Mayor's Report - Collective Study on the Structure of Local Government in Hawke's Bay" dated 25 August 2011 be received.
- B) That Hastings District Council contributes up to \$50,000 towards a regional report of the region's socio-economic performance and a study of effective local government in Hawke's Bay

With the reasons for this decision being that the objective of the decision will contribute to the Council's Strategic Objectives:

Provide affordable, high quality Council services and facilities

By Researching the best local governance structure for all communities in Hawke's Bay

CARRIED



**Carolyn Hunt
COMMITTEE SECRETARY**

25 August 2011

REPORT TO: COUNCIL

MEETING DATE: THURSDAY, 25 AUGUST 2011

FROM: MAYOR LAWRENCE YULE

SUBJECT: MAYOR'S REPORT - COLLECTIVE STUDY ON THE STRUCTURE OF LOCAL GOVERNMENT IN HAWKE'S BAY

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain a decision from the Council on funding a study on the structure of local government in Hawke's Bay.
- 1.2 This request arises from my desire to investigate the local governance structure of Hawke's Bay, for the benefit of the whole region.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose includes the promotion of the social, economic, environmental and cultural wellbeing of communities. The Council seeks to meet this obligation and the achievement of community outcomes through the strategic objectives set out in the 2009-2019 Long Term Council Community Plan. The matters raised in this report relate to those elements of the strategic objectives identified in the following table.

Strategic Objectives	Achieved By
Provide affordable, high quality Council services and facilities	Researching the best local governance structure for all communities in Hawke's Bay

- 1.4 This report concludes by recommending that Hastings District Council commits up to \$50,000 towards a region-wide study.

2.0 BACKGROUND

- 2.1 The structure of local government in the region has been the subject of debate for some time. A question that has also been asked is whether changes to that structure might contribute to lifting the region's socio-economic performance.
- 2.2 I have given presentations on this issue to every council in the region. The presentations have been given on the basis of a genuine concern for where the region finds itself around a number of indicators, and a lack of an effective structure for coordinated regional action to address current performance.
- 2.3 Hastings District Council and The Hawke's Bay Regional Council each budgeted \$50,000 in 2010/11 for a regional study. Hastings has carried forward this amount into the 2011/12 budget.
- 2.4 The last formal review of local government structure in Hawke's Bay took place in the 1990's, preceding the referendum on reform held in 1999.

3.0 CURRENT SITUATION

- 3.1 A number of informal briefings have been held on this matter. In addition, Councillors received a presentation from council officers on 9 August 2011 at a financial strategy workshop, forming the factual basis of my concern for the region's socio-economic performance.
- 3.2 An independent study on the regional structure would give an unbiased overview, and should cover at least the following:
- Review of the historical demographic, socio-economic and environmental performance and trends for Hawke's Bay
 - Review of the projected demographic, socio-economic and environmental performance for Hawke's Bay
 - Review of the projected and possible changes in government policy settings
 - Review the performance and effectiveness of the current councils, including financial sustainability, options for increased efficiency and effectiveness, environmental protection and economic development
 - Identify options for improving the region's response to current and projected future socio-economic performance, including recommendations as to whether changes are required to the local government structure in Hawke's Bay to maximize the region's future potential
- 3.3 This is an issue that requires significant unbiased and independent scrutiny. To try to address it solely via internal officer reports or reports from others with a vested interest would be a significant disservice to the community and its future generations. Previous studies and current individual council thinking would form part of the review.
- 3.4 The Terms of Reference, choice of consultant, budget provision and timeframes would be jointly agreed by the Chief Executives of the contributing councils.
- 3.5 I have written to Napier City, Central Hawke's Bay and Wairoa District Councils and the Hawke's Bay Regional Council seeking support to undertake an independent study.
- 3.6 It is hoped that all councils will contribute financially to the study. A decision is expected from Wairoa, Central Hawke's Bay and the Regional Councils by the end of August, although Napier City Council have already indicated that they will not fund a study. If the other councils also do not agree to fund a study, then either private funding will need to be found, or the scope of the report will be limited to what can be accomplished with the available funds.

4.0 OPTIONS

- 4.1 Option 1 - Not to contribute to a regional study of local government in Hawke's Bay.
- 4.2 Option 2 - To contribute up to \$50,000 (or another sum) to a regional study of local government and socio-economic performance in Hawke's Bay.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 The matters contained in the report do not trigger Council's Significance Policy.
- 5.2 I have discussed this matter with all councils listed in 3.5.

6.0 ASSESSMENT OF OPTIONS (Including Financial Implications)

- 6.1 Option 1 maintains the status quo, but does not necessarily mean that a regional study will not go ahead. Other funding is likely to be sought to finance the study.
- 6.2 Option 2 means that Hastings District Council acknowledges the socio-economic challenges facing the communities of Hawke's Bay, and means that a study will be conducted assessing whether a change in local government in the region will effect real and sustained socio-economic change.

7.0 PREFERRED OPTION/S AND REASONS

- 7.1 Option 2, as it will provide all Councils and electors in Hawke's Bay with unbiased information in order to make an informed view on the future of local government in Hawke's Bay.

8.0 RECOMMENDATION/S AND REASONS

- A) That the report of the Mayor titled "Mayor's Report - Collective Study on the structure of local government in Hawke's Bay" dated 25 August 2011 be received.
- B) That Hastings District Council contributes up to \$50,000 towards a regional report of the region's socio-economic performance and a study of effective local government in Hawke's Bay

With the reasons for this decision being that the objective of the decision will contribute to the Council's Strategic Objectives:

Provide affordable, high quality Council services and facilities

By

Researching the best local governance structure for all communities in Hawke's Bay

3 August 2011

[Click & type Name]
[Click & type Title]
[Click & type Organisation]
[Click & type Address]
[Click & type CITY]

Dear [Click & type Name]

Recently I presented a request to your Council asking for a collective study to be done on the structure of local government in the region, and whether changes to that structure might contribute to lifting the region's socio-economic performance. The same presentation was given to every council in the region. The presentations were given on the basis of my genuine concern for where the region finds itself around a number of indicators, and a lack of an effective structure for coordinated regional action to address our current performance.

I write today to get a more formal understanding of your Council's position on this request. I am aware that Hastings District Council and Hawke's Bay Regional Council have made some budget provision to fund a study. However, it is my hope that all the region's councils could participate in a report that would cover the following:

- Review of the historical demographic, socio-economic and environmental performance and trends for Hawke's Bay
- Review of the projected demographic, socio-economic and environmental performance for Hawke's Bay
- Review of the projected and possible changes in government policy settings
- Review the performance and effectiveness of the current councils, including financial sustainability, options for increased efficiency and effectiveness, environmental protection and economic development
- Identify options for improving the region's response to current and projected future socio-economic performance, including recommendations as to whether changes are required to the local government structure in Hawke's Bay to maximize the region's future potential

I consider that this is an issue that requires significant unbiased and independent scrutiny. To try to address it via internal officer reports or reports from others with a vested interest would, in my view, be a significant disservice to the community and its future generations. I seek your support to undertake an independent study. Previous studies and current individual council thinking would form part of the review.

I would envisage the Terms of Reference, choice of consultant, budget provision and timeframes would be agreed by our Chief Executive.

I would be grateful if you could formally advise me of your council's position at your earliest convenience.

Thank you in advance for your response.

Yours sincerely

Lawrence Yule
Mayor

Name	Address	Sal
Councillor Alan Dick	3 Newbury place Taradale NAPIER 4112	Councillor Dick
Councillor Tim Gilbertson	Waitukai Farm 704 River Road Patangata RD 2 OTANE 4277	Councillor Gilbertson
Councillor Neil Kirton	113 Fryer Road RD 2 NAPIER 4182	Councillor Kirton
Councillor Ewan McGregor	PO Box 1252 HASTINGS 4156	Councillor McGregor
Councillor Liz Remmerswaal	38 Simla Avenue HAVELOCK NORTH 4130	Councillor Remmerswaal
Councillor Kevin Rose	Riverbank Orchard 110 Longlands Road East RD 2 HASTINGS 4172	Councillor Rose
Councillor Christine Scott	43 Napier Terrace Hospital Hill NAPIER 4110	Councillor Scott
Councillor Eileen von Dadelszen	PO Box 8667 HAVELOCK NORTH 4157	Councillor von Dadelszen
Councillor Fenton Wilson	141 Maromauku Road RD 6 WAIROA 4196	Councillor Wilson
Mayor Barbara Arnott	109 Chaucer Road NAPIER 4110	Mayor Arnott
Councillor Maxine Boag	2B Terrace Lane, NAPIER 4110	Councillor Boag
Councillor John Cocking	PO Box 190 NAPIER 4140	Councillor John
Councillor Bill Dalton	118 Chaucer Road North NAPIER 4110	Councillor Dalton
Councillor Kathie Furlong	28 Auckland Road NAPIER 4112	Councillor Furlong
Councillor Mark Herbert	C/- East Pier Bar & Brasserie Hardinge Road NAPIER 4110	Councillor Herbert
Councillor Tony Jeffery	3 Sixty-fifth Street NAPIER 4110	Councillor Jeffery
Councillor Rob Lutter	63 Avondale Road NAPIER 4112	Councillor Lutter
Councillor Dave Pipe	25 Vigor Brown Street NAPIER 4110	Councillor Pipe
Councillor Keith Price	34 Tom Parker Avenue	Councillor Price

	NAPIER 4110	
Councillor Michelle Pyke	39 Campbell Street Ahuriri NAPIER 4110	Councillor Pyke
Councillor Faye White	5b Tom Parker Avenue NAPIER 4110	Councillor White
Councillor Tania Wright	76 Meeanee Road NAPIER 4112	Councillor Wright
Mayor Les Probert	4884 State Highway 2 PUTORINO 4188	Mayor Probert
Councillor Denise Eaglesome	31 Waihirere Road WAIROA 4108	Councillor Eaglesome
Councillor Benita Cairns	70 Mitchell Road WAIROA 4108	Councillor Cairns
Councillor Denys Caves	48 Kopu Road WAIROA 4108	Councillor Caves
Councillor Craig Little	33 Ohuka Road RD 5 WAIROA 4195	Councillor Little
Councillor Dave Evans	95 Lucknow Street WAIROA 4108	Councillor Evans
Councillor Min Johansen	173 Queen Street WAIROA 4108	Councillor Johansen
Mayor Peter Butler	483 Tikokino Road Ngamaunga RD 3 WAIPAWA	Mayor Butler
Councillor Sally Butler	Glenalvon 492 State Highway 50 RD 3 WAIPAWA	Councillor Butler
Councillor Mark Williams	209 Williams Road Black Dog Cottage RD 14 HAVELOCK NORTH	Councillor Williams
Councillor Maitland Manning	Homewood 145 Elsthorpe Road RD 2 OTANE	Councillor Manning
Councillor Terry Story	27 Ongaonga Road RD 2 WAIPAWA	Councillor Story
Councillor Ian Sharp	44 Mangatarata Road RD 5 WAIPUKURAU	Councillor Sharp
Councillor Hilary Pedersen	23 Beach Road RD 3 PORANGAHAU	Councillor Pedersen
Councillor Terry Kingston	Bibby Street	Councillor Kingston

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	WAIPAWA	
Councillor Michael Waite	Great North Road WAIPAWA	Councillor Waite